

Joint European Stakeholder Group



Tuesday 14 July 2020
Meeting 49

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:30 - 10:35
2.	A18	Bernie Dolan (National Grid ESO)	10:35 - 10:45
3.	NTC	Claire Huxley (National Grid ESO)	10:45 - 10:55
4.	ODFM	Bernie Dolan (National Grid ESO)	10:55 - 11:05
5.	Review of Actions log	Andrew Hemus (Tech Secretary)	11:05 - 11:10
6.	Future Meeting Dates & Agenda Items	Andrew Hemus (Tech Secretary)	11:10 - 11:15
7.	Stakeholder Representation	Chair	11:15 - 11:20
8.	Any Other Business	All	11:20 - 11:30

1. Welcome & Introductions

Garth Graham (Alternate to Barbara Vest)
Independent Chair

2. A18

Bernie Dolan
National Grid ESO

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Update on EBGL Article 18

Final Implementation of EBGL Article 18

Conditions from letter of 8th October on A18 decision

In their letter of 8th October Ofgem set a number of conditions they would like us to fulfil:

- The ESO should comply fully with EBGL Article 34 (transfer of balancing capacity)
- The ESO should remove from STOR utilisation prices set in the contract for capacity (EBGL Article 16.6)
- ESO should modify national code mod processes to align with EBGL

Response to conditions

- ESO is now fully compliant with A34 – these changes were implemented 31 Jan 2020
- ESO is now fully compliant with A16.6 – these changes were implemented 31 Jan 2020
- The following changes have been made to comply with the EBGL change process by 25th June 2020
 - BSC mod P392
 - CUSC mod 323
 - Grid Code mod GC0132
 - Inflight mods P354,P385,P386, P388,P394, P403

3. NTC

Claire Huxley
National Grid ESO

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Update on GB Interconnectors Commercial Capacity Calculation Methodology

GB Interconnectors Capacity Calculation Methodology (NTC)

C16 Consultation – Procurement Guidelines Update

C16 wording rejected by OFGEM due to some wider policy queries.

Submitted wording March 2020

To manage interconnector flows, if other market-based solutions are anticipated to be insufficient, or ineffective, for managing operational security on the transmission system, NGESO may need to limit changes to the interconnector scheduled flow occurring during the day ahead or intraday market. We achieve this by using the following mechanisms:

- Intraday Trading Limits (ITL) – bilateral or trilateral agreement to limit the amount of un-allocated capacity released into the intraday auction. This can also be used to prevent a previously traded position from being unwound back in the other direction.
- Net Transfer Capacity – A tool currently being developed to limit the amount of capacity released into the day ahead or intraday auctions. A methodology for GB arrangements associated with interconnector capacity calculation will agree respective commercial principles with the industry.

Wider Policy Queries

- 1) TEC and Firm Access
- 2) Legality of payment for unallocated capacity
- 3) Do we need a C16 guideline change?
- 4) Better understanding on the potential impacts on BSUoS and wider impacts on the wholesale market

Working with OFGEM to support answering these queries where appropriate.

Next meeting with OFGEM is on the 24th July.

GB Interconnectors Capacity Calculation Methodology (NTC)

Legal Challenge

A workshop participant wrote to OFGEM challenging the legal ability of NGENSO to curtail allocated capacity. NGENSO have since responded to this letter outlining the relevant sections of the HAR and Co-ordinated Capacity Methodology. OFGEM will respond with their view in due course.

Developing a methodology

Following a number of workshops with industry, NGENSO have developed a document that provides a detailed overview of the application of the methodology, how it will work in practise and a number of different scenarios highlighting the impact of curtailment at different stages.

This will be released shortly to those that have been involved in the workshops, along with responses to the feedback that was provided in May.

Note that there was an initial delay in sending round the updated document and responses to feedback given the C16 position from OFGEM and legal challenge on the ability to curtail allocated capacity. Whilst we are still waiting for clarity from OFGEM on their wider questions, we can progress with developing a methodology in parallel.

Next Steps

- Continue to support OFGEM with their wider policy queries where requested
- Detailed methodology document and response to feedback will be sent round shortly. NGENSO will schedule a session with interested parties to take them through the document and the next stages.

4. ODFM

Bernie Dolan
National Grid ESO

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Update on Optional Downward Flexibility Management (ODFM) service and EBGL Article 18

ODFM and inclusion in EBGL A18

Classification of ODFM

For the purposes of understanding which parts of EBGL and CEP apply to ODFM the ESO has used the following:

- ODFM is Balancing Energy (there is no procurement of capacity)
- ODFM is a Replacement Reserve product
- ODFM is not covered by articles relating to specific products as these have not been defined for RR products yet

Consultation and results

- Although ODFM is a time-limited product NGENSO decided to include this in our EBGL A18 mapping
- We conducted a one month consultation from 11th May to 19th June
- We received responses from 10 companies
- Ofgem gave approval for the inclusion of ODFM into Article 18 on 3rd July

5. Review of Actions log

Andrew Hemus
JESG Technical Secretary

JESG Standing items

ID	Topic	Lead Party
S1	Continue to review the membership of the JESG and engage additional industry parties where appropriate.	JESG Chair
S2	Prepare a commentary / comparison document between the Network Code and the existing GB arrangements at appropriate stages in the Code development for each Network Code.	NGET / Ofgem / BEIS
S3	Share any intelligence about how other member states are approaching demonstrating compliance through information gained from other government departments, regulators or parent companies	BEIS / Ofgem / Industry parties with European parent companies

JESG Open Actions

ID	Topic	Lead Party	Status	Update
113.	Confirmation around delegation on Article 18 to Elexon or the BSC Panel. What tasks are being delegated to ELEXON?	NGESO, Ofgem, BEIS	Open	Delegations have now come into effect as of 25 th June, following Ofgem's approval of the BSC mod P392 (the delegations were drafted to come into effect upon the mod implementation date). Details of the delegations are contained in the letter following this link .
117.	JESG to be updated on SQSS and Grid Code Modifications	NGESO	Open	
121.	Provide an update on elements of the recast Electricity Regulation: Article 36 – Scope of TSO's Article 35 – Scope of engagement requirement	Bernie Dolan (NGESO)	Open	<p>Article 36 – Scope of TSO's</p> <p>ACER response on 6th April. No comments in regards to IU SOR and Channel CCR. There was a comment around 3rd party non EU TSOs and withdrawal agreement. Participation in the RCC will be dependent on the nature of Brexit deal. (Swiss grid were removed from the proposal due to not being EU) For info, the TSOs of the Central SOR are planning an appeal as ACER merged CORE and SWE into a single SOR.</p> <p>Article 35 – Scope of engagement requirement</p> <p>Proposal for the RCCss are to be submitted by TSOs to NRAs on 5th July which is a challenging deadline with much to do. An extension has been requested due to COVID-19 but do not know if this will be granted. CORESO are going to facilitate discussion with planned meeting end April</p>
126.	Provide update for January JESG on the role of the CMA as acting ACER / Commission and how subsequent changes to Network Codes after 21 June 2020 will be put into effect in GB.	BEIS	Open	Our previous contact at BEIS has moved to another role within BEIS in response to the COVID 19 pandemic.

JESG Open Actions

ID	Topic	Lead Party	Status	Update
127	ENTSO(E) membership update in relation to TSO position regarding EU Exit.	Andrew Hemus (NGESO)	Open	During the transition phase, the United Kingdom remains bound by all existing European regulations including obligations contained in Network Codes and the Clean Energy Package. NGESO remains a member of ENTSO-E during the transition phase (ENTSO-E, unlike ENTSO-E has always had members from outside the EU, and the European Economic Area e.g. Norway, Switzerland, Albania, North Macedonia etc.). Once the UK Government has concluded an agreement on the future trading relationship with the European Union, depending on the outcome of that agreement, NGESO will need to consider whether it is possible, practical and efficient to remain a member of ENTSO-E. This will depend on the level of regulatory alignment that is maintained between the UK and the EU in future, and how involved we can be in ENTSO-E processes in the future. As the future trading relationship between the UK and the EU becomes clearer we will be able to update our thinking in this area.
128.	Provide an update on when the two planned derogation requests under Article 6 of the recast Electricity Regulation (i.e. Article 6.4 & Article 6.9) are to be published.	Claire Huxley (NGESO)	Open	NGESO has submitted derogation requests directly to Ofgem. There is no obligation to publish the requests however NGESO will provide more details in future

6. Future Meeting Dates & Agenda Items

Andrew Hemus
JESG Technical Secretary

Future JESG Meetings

- As always registration is required and will be opened through the JESG Weekly updates.
- Stakeholders are invited to put forward agenda items for the forthcoming JESG meetings:

Date	Proposed Agenda Items
Tuesday 11 August	
Tuesday 8 September	

7. Stakeholder Representation

All

8. AOB